

# Agricultural Situation

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## WATCH PRICES— CUT YOUR FEED COSTS

If you buy grain or protein meal to feed your livestock and poultry it will pay you to keep a close eye on the continuously shifting prices of the different grains and meals—and to weigh their relative feeding values.

Much of the feed purchased today is already mixed for feeding. But many farmers, especially those in the Midwest, buy grain locally for feeding with commercially prepared protein supplements or for home mixing.

Prices of grains and meals are affected by many forces—and often change rather sharply. The time of harvest, the size of the crop, changes in demand from feeders, and many other factors may influence the price of one grain or meal more than another.

Oats and barley prices are usually lower during the summer harvest period than at other seasons. Sorghum grain prices become seasonally low in the late summer or early fall and corn prices usually are lowest in the fall.

Byproduct feed prices also vary sharply from time to time. For example, at Minneapolis the price of wheat middlings increased from \$28.25 a ton in August 1958 to \$45.50 in December. During this period, the average price of No. 3 yellow corn declined from \$1.19 to \$1.02 a bushel. Middlings were obviously a better buy for the feeder in August than in December.

Prices of high-protein feeds also vary sharply with changes in supply and demand. During the past four



## Feed—Continued

years the price of meat meal at Chicago has ranged from only \$2 or \$3 per ton above soybean meal to as much as \$50 a ton more. The price of linseed meal is now much higher than it was a year ago in relation to soybean meal.

These wide swings in prices are not uncommon. Taking advantage of them by using the feeds which are the best buy in terms of feeding value can often mean the difference between profit and loss in livestock feeding.

But . . .

Of course, changes in rations usually have to be made slowly and in line with good nutritional and management practices. Too abrupt changes can cause trouble and cost the farmer more than the saving in the cost of feed. But careful ration adjustment will do the job.

A rough guide as to equivalent prices for the various grains and meals, in terms of their feeding value, is given in the table on page 3. But remember that some feeds are worth more when fed to one kind of livestock than to another.

For example, barley has a higher feeding value for dairy cows than for poultry. Cottonseed meal is a much better feed for beef cattle than for hogs.

Comparisons are shown here for a number of lower protein feeds and corn and for some of the high-protein feeds and soybean meal. They take into account the feeding value of the various feeds when fed to the different types of livestock and poultry. In the comparisons for corn and other feeds, they also allow for the difference in the weight of the unit shown and that of a bushel of corn.

The prices in the tables do not, however, allow for grinding or other processing that may be necessary for one grain, but not for another.

The quality and type of feed should also be taken into consideration. The comparisons do not necessarily apply to grain produced in areas where the nutritive composition differs from the United States average.

The comparisons given here assume feeding is done in balanced rations. They do not necessarily apply if the individual feed makes up an exceptionally large part of the ration. In general, it is desirable to have a variety of ingredients in the ration and to retain minimum quantities of some of the ingredients.

Some of the feeds, such as fish meal, are worth more than shown here when fed in limited quantities. Fish meal is desirable in the poultry ration to supply the "fish factor," an unidentified growth factor. It is also a source of a number of essential minerals and vitamins. Feeders could pay more than the prices indicated here for the minimum quantities of fish meal needed in the ration to satisfy these requirements.

## Table

The table is to be considered as a guide—not as an exact measure of relative worth of the various feeds. They indicate, for example, that under normal feeding practices, a dairyman can get as much feed value for his money from barley at about 94 cents a bushel as from corn at \$1.10 a bushel. If the price of barley is much lower than this (with corn at \$1.10), it is a cheaper feed than corn; if it is much higher, corn is a cheaper feed.

*(continued on page 4)*

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## Equivalent Values of Various Protein Feeds

When the price of soybean meal per ton is—

\$45.00 \$50.00 \$55.00 \$60.00 \$65.00 \$70.00 \$75.00 \$80.00

### DAIRY COWS



Cottonseed meal	42.35	47.05	51.75	56.45	61.15	65.85	70.60	75.30
Linseed meal	42.35	47.05	51.75	56.45	61.15	65.85	70.60	75.30
Gluten feed	30.40	33.80	37.20	40.55	43.95	47.30	50.70	54.10
Brewers' dried grains	29.10	32.35	35.60	38.80	42.05	45.30	48.50	51.75
Distillers' dried grains	34.40	38.25	42.10	45.90	49.70	53.55	57.40	61.20

### BEEF CATTLE



Cottonseed meal	42.75	47.50	52.25	57.00	61.75	66.50	71.25	76.00
Gluten meal	50.60	56.25	61.90	67.50	73.10	78.75	84.40	90.00
Distillers' dried grains	30.40	33.75	37.10	40.30	43.90	47.25	50.60	54.00

### POULTRY



Meat meal	49.50	55.00	60.50	66.00	71.50	77.00	82.50	88.00
Tankage	51.00	56.65	62.30	68.00	73.65	79.30	85.00	90.65
Fish meal	75.00	83.35	91.70	100.00	108.35	116.70	125.00	133.35
Peanut meal	42.00	46.65	51.30	56.00	60.65	65.30	70.00	74.65

### HOGS



Tankage or meat meal	56.25	62.50	68.75	75.00	81.25	87.50	93.75	100.00
Gluten meal	39.40	43.75	48.10	52.50	56.90	61.25	65.60	70.00
Cottonseed meal	33.75	37.50	41.25	45.00	48.75	52.50	56.25	60.00
Peanut meal	45.00	50.00	55.00	60.00	65.00	70.00	75.00	80.00

<sup>1</sup> Prices that can be paid for specified feeds at various levels of soybean meal prices after adjusting for feeding value.

## Equivalent Values of Grains and Mill Feeds

When the price of corn per bushel is—

\$0.80 \$0.90 \$1.00 \$1.10 \$1.20 \$1.30 \$1.40 \$1.50

### DAIRY COWS



Oats (bu.)	0.41	0.46	0.51	0.57	0.62	0.67	0.72	0.77
Barley (bu.)	.69	.77	.86	.94	1.03	1.11	1.20	1.29
Sorghum grain (100 lbs.)	1.43	1.61	1.79	1.96	2.14	2.32	2.50	2.68
Wheat middlings (ton)	28.55	32.15	35.70	39.30	42.85	46.40	50.00	53.55
Hominy feed (ton)	28.55	32.15	35.70	39.30	42.85	46.40	50.00	53.55

### BEEF CATTLE



Oats (bu.)	.39	.44	.49	.53	.58	.63	.68	.73
Barley (bu.)	.60	.68	.75	.83	.91	.98	1.06	1.13
Sorghum grain (100 lbs.)	1.31	1.48	1.64	1.81	1.97	2.14	2.30	2.46
Hominy feed (ton)	28.55	32.15	35.70	39.30	42.85	46.40	50.00	53.55

### POULTRY



Oats (bu.)	.41	.46	.51	.57	.62	.67	.72	.77
Barley (bu.)	.55	.62	.69	.75	.82	.89	.96	1.03
Sorghum grain (100 lbs.)	1.36	1.53	1.70	1.87	2.04	2.21	2.38	2.55
Wheat middlings (ton)	25.70	28.90	32.15	35.35	38.55	41.80	45.00	48.20
Hominy feed (ton)	28.55	32.15	35.70	39.30	42.85	46.40	50.00	53.55

### HOGS



Oats (bu.)	.41	.46	.51	.57	.62	.67	.72	.77
Barley (bu.)	.62	.69	.77	.85	.93	1.00	1.08	1.16
Sorghum grain (100 lbs.)	1.28	1.45	1.61	1.77	1.93	2.09	2.25	2.41
Wheat middlings (ton)	30.00	33.75	37.50	41.25	45.00	48.75	52.50	56.25
Hominy feed (ton)	27.15	30.55	33.90	37.30	40.70	44.10	47.50	50.90

<sup>1</sup> Prices that can be paid for specified feeds at various levels of corn prices after adjusting for weight of unit used and feeding value.

## Feed—Continued

The poultryman could get the same feeding value for his money from barley at 75 cents a bushel as from corn at \$1.10, and the hog producer would do about as well with barley at about 85 cents a bushel.

When the price of soybean meal is \$60 a ton, the dairyman gets about the same feed value from cottonseed meal at \$56.45, or from distillers' dried grains at about \$46. For fattening beef cattle, soybean meal at \$60 a ton would be equivalent to cottonseed meal at \$57 and to distillers' dried grains at \$40.50.

Experiments have shown that, for fattening cattle, linseed meal is worth as much as 50 percent more than soybean meal, as reflected in increased finish and market appearance. For other types of livestock (except poultry) linseed meal has about the same feeding value as soybean meal.

Of course, every feeder should consider: (1) the advantages and costs of commercially mixed feeds and home-mixed feeds; (2) the availability and value of home-grown feeds; and (3) up-to-date information on scientifically balanced feed rations.

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## Rise in Summer

### Vegetable Production

Summer vegetable production, excluding melons, is expected to be 3 percent above last year. Melons are down 11 percent, largely due to the smaller watermelon crop.

Significant increases from last year are expected in lettuce, sweetcorn, and onions, but substantially smaller crops of cabbage and cauliflower are in prospect.

Early summer potato production, at 13,614,000 hundredweight, is 7 percent below the relatively large crop last year. Late summer production, expected to be 33,206,000 hundredweight, is slightly below last year. Acreage of fall potatoes is a little below 1958, but slightly above average.

## WHEAT CROP ABOVE AVERAGE

This year's all-wheat production was estimated as of July 1, at 1,155 million bushels—about a fifth less than the record 1958 total but up from average by 7 percent. The 21.7 bushel yield per harvested acre is sharply below last year's record yield but well above average.

Winter wheat, indicated at 932,-878,000 bushels, compares with the 1958 production of 1,179,924,000 and the 10-year average of 814,784,000 bushels.

Durum, at 19,913,000 bushels, is 10 percent less than last year and a third below average.

Other spring wheat is forecast at 202,341,000 bushels compared with 260,217,000 last year and 231,167,000 average. Current estimate of other spring wheat is down 16 million bushels from the June estimate, largely as the result of drought in the Dakotas.

## Farm Employment Below A Year Ago

The number of persons at work on farms in late June, estimated at 8,651,000 persons, was the largest for the year. But it was 1 percent less than the number employed a year earlier.

The total included 5,942,000 farmers and other farm family workers and 2,709,000 hired workers. Family workers were down 2 percent; hired were up 1 percent from a year earlier.

Wages for hired farm labor on July 1 were at record levels for the date in nearly all parts of the Nation.

The U.S. average (composite hourly rate), at \$0.796 was up from a year earlier by about 9 percent. Rates per hour, without room or board, ranged regionally from 61 cents to \$1.19.

Production of red meat in commercial slaughter plants totaled 2,071 million pounds in June, 7 percent above June 1958. This was 2 percent above the May output.



## OUTLOOK

Mid-year prospects point to lower crop production this year than in 1958, but a rising livestock volume is likely to keep total farm output within 2 percent of the 1958 peak.

### Crops

Crop production, though down 4 percent from 1958, is well above any other past year. Corn is the big gainer. Fourteen percent more acres and high yields boost the prospective crop to 4¼ billion bushels, 424 million more than last year's record. But the crops of oats and barley are smaller and the feed grain total will fall a little short of 1958. The wheat crop is below the 1958 peak but 7 percent above average. Noncitrus fruit production is up 6 percent, and farmers planted 28 percent more cotton than last year. Soybean acreage is down, after 9 consecutive years of increase.

Crop outlook is still tentative. Weather developments after July 1, can alter production prospects considerably. Also, no estimates of production have been made for cotton, soybeans, and sorghum grain. They have been allowed for in the total on the basis of acreage and the yields of past years.

### Livestock

Meat animals and poultry products are leading the way to a new high in production of livestock and livestock products. Both the cattle and hog cycles are in the upward phase. Cattlemen are adding between 4 and 5 million head to the Nation's herd this year.

Hog production is likely to reach 104½ million head, a new peacetime record. Pork output already has reflected increased hog production but the

bulge in beef is not likely until the early 1960's.

Egg production topped 1958 by 5 percent in the first half and the year's total is expected to exceed the 1958 record. Broiler production also was up.

The 1959 turkey crop is likely to break the 1957 record. Milk output has been running a little below 1958, partly because favorable prices for slaughter animals has stimulated heavy culling in dairy herds.

### Cattle and Hogs

Marketings of meat animals will increase seasonally and will run above a year earlier during the next few months. For hogs, gain over last year will be substantial because of 12 percent increase in 1959 spring crop. Slaughter of both fed and nonfed cattle will be as high or little higher.

### Dairy

Milk production has been running a little below last year, consumption a little higher. Consequently, purchases for support are down some.

Consumption of fluid milk per person so far this year is as high or higher than in 1958 . . . use of cheese is holding near last year's high level. Consumption of frozen dessert is up considerably, aided in part by retail price reduction on the larger packages of ice cream.

### Eggs

Egg production the rest of 1959 is likely to continue above 1958. Laying flock at mid-year was slightly below a year earlier, but number of pullets

*(continued on next page)*



## Outlook—Continued

that will begin laying by October 1 is above last year. Also, rate of lay probably will be up.

### Turkeys

Late summer slaughter will be up from last year because of big hatch of poults before June. Many of these birds will go into storage for the holiday market.

The outlook is better for prices late in the year. By then much of the record 1959 crop will have been eaten and storage stocks are smaller than last year.

### Feed

A record grain supply is in prospect for 1959-60. The bumper corn crop nearly offsets smaller crops of other grains. The estimated 1959 total is only slightly below the 158 million tons of 1958. But carryover is likely to rise 8-10 million tons. Prospective production exceeds probable disappearance, and a further rise in carryover is likely by October 1, 1960.

Grain prices probably will stay a little below a year earlier through summer and fall, because of heavy production and lower supports. In early July, cash prices of feed grains at terminal markets averaged 4 percent below last year . . . wholesale prices of high protein feeds were down 8 percent.

### Soybeans

Prices are likely to stay about the same as support this summer, which is \$2.09 per bushel.

### Cotton

Use of cotton by domestic mills seems likely to hit 8.7 million this season—7 million more than in 1957-58. Mills have the highest margins in 2½ years, and unfilled orders are heavy. But exports probably will be down to 2.8 million, half the 1957-58 total.

## Wool

Apparel wool consumption in January-May ran over a third, and carpet wool use over two-thirds, above the same period last year. The total about equalled consumption in the first 5 months of 1957.

## TOBACCO PRODUCTION UP 3 PERCENT FROM 1958

Total tobacco production (all types) is forecast at 1,783 million pounds, based on July 1 conditions. This is nearly 3 percent above last year but 15 percent below average. Total acreage for harvest, at 1,156,000 acres, is up from last year by 7 percent but 26 percent below average.

Flue-cured production, forecast at 1,082 million pounds, would be about 1 million pounds above 1958, but 15 percent below average.

The Burley crop is placed at 486 million pounds, 4 percent above the 1958 production, 14 percent below average. Maryland, type 32, at 33.3 million pounds, is about 6 percent above 1958 production, but 14 percent below average.

## Calf Crop Up 2 Percent

The 1959 calf crop is expected to total 41,328,000 head, 2 percent greater than in 1958, and 7 percent above the 10-year average. This is the first increase from the previous year since the record crop of 1954.

The larger calf crop this year is the result of a larger number of cows and heifers on farms and an increase in the calving percentage.

### Bees, Bees, Bees

The number of colonies of bees on hand July 1 in the United States totaled 5,437,000. This is about the same as on July 1 a year ago. Colony numbers were above last year in 4 regions of the Nation and below in 2 regions.

## HOGS A-PLenty— PRICE OUTLOOK DIM

Hog production is moving above the 100-million mark this year. The 1959 spring crop was 58½ million pigs, 12 percent over last year. Producers' intentions in June were for 8 percent more sows to farrow this fall than last. At an assumed average size of litter, the fall crop would be 46 million pigs.

The 1959 spring and fall crops together would add to 104.5 million. Only three times before have more than 100 million pigs been saved. Two of those years were during wartime, when a large part of the world wanted U.S. pork. The other year was 1951; 100.6 million pigs were saved that year.

Relative to population, this year's pig crops are not of record size even for peacetime. But they are pretty big. The 68 pounds of pork to be made available per person in the year beginning July 1, 1959 will be the most since 1947 except for the 3 years of the Korean conflict.

The first pigs born in the 1959 crop began to move to market in late July and early August. Even before that time, prices of hogs had been on a 12-month skid. Late July prices were \$8 to \$9 per 100 pounds less than a year before. Prices will remain lower. In the next 12 months they will be appreciably below the average of the 12 months just ended.

Lower prices have been inevitable, and expected. Prices for hogs were unusually high last year. Moreover, prices of corn have been declining the last several years. At lower corn prices, prices of hogs also can be expected to average lower. The hog-corn ratio this summer, while closer to normal than in a long while, was not below it.

More of all pigs are now born in "off" seasons, such as mid-winter. This trend affected hog markets this summer. Because of it, slaughter of hogs failed to fall off this summer as much as it usually does. Meantime, stocks of pork in cold storage were up from a year before. As a result hog prices

were put under pressure. Instead of rising as is usual for summer, they declined.

The redistribution of farrowings into off-months that took the bloom off summer prices will likely help to save prices this fall from their fate of 1955. It does not look as though pork supplies will be so large that hog prices will repeat the \$10 to \$11 of late 1955. But the fall market will not be one to bring joy to hog farmers.

Hogs can be produced cheaper at this year's corn prices than those of a few years ago. While profits in sight will be small, the even more serious question is whether production of hogs will continue upward in 1960, and bring still more aggravated price problems.

There is little ground at this time for optimism, and little reason to justify expansion. A closer look at 1960 prospects will be taken in a second article to follow in the next issue of *Agricultural Situation*.

Harold F. Breimyer  
*Agricultural Economics Division*

## More Cattle Are on Feed

In the 13 feeding States for which comparable data are available, the number of cattle and calves on feed July 1 totaled 4,704,000 head, 10 percent above the 4,281,000 a year earlier.

In 21 major feeding States, the number on feed July 1 totaled 5,128,000 head. Intentions reports show that cattle feeders in these 21 States expect to market 68 percent of this total during July, August, and September (19 percent in July, 25 percent in August, and 24 percent in September).

If these intentions are carried out, marketings will be well above the same period last year.

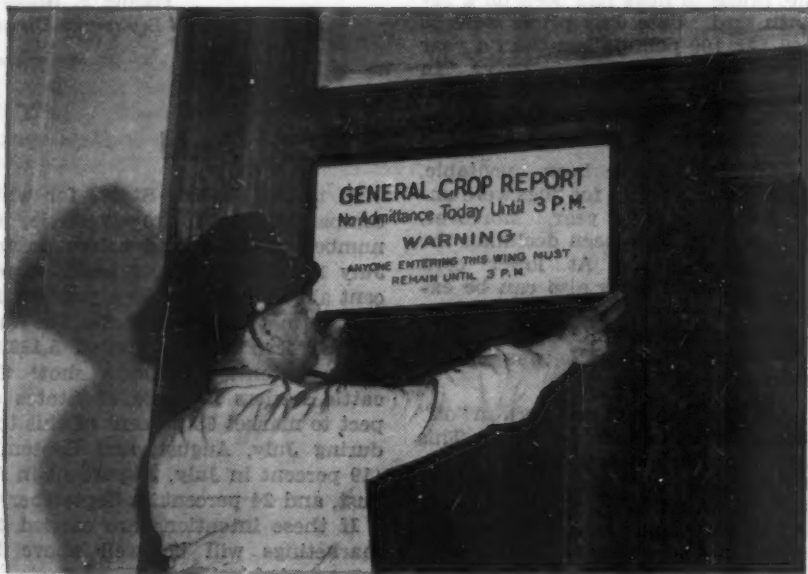


Picking up the mail from State statisticians.

## USING YOUR A 200H QUESTIONNAIRES

### Part II

In the last issue of *Agricultural Situation* we saw how the State statistician and his staff take your questionnaires, and those of thousands of other crop, livestock, and price reporters and come up with an estimate for your State. The method of handling these reports—whether on wheat production or the number of livestock on farms—is basically the same. The State statisticians mail their estimates to the Crop Reporting Board in Washington. If the report is of a speculative nature, the Board's offices are "locked up"—doors are locked, blinds are closed, and telephones are disconnected. These precautions are taken to prevent any premature disclosure that could be used to the advantage of any individual or group in market speculations. Thus all users have equal opportunity to obtain the information.



The Crop Reporting Board prepares many reports in a "lockup"—from within sealed quarters.





State estimates are reviewed by members of the Crop Reporting Board in Washington, D.C.

State estimates for speculative crops are reviewed by each member of the Crop Reporting Board—Washington statisticians and State statisticians brought in to help with the report. They make a thorough appraisal of all information submitted for the State and arrive at their own independent estimate. Their estimates are reviewed by Mr. Newell, chairman of the Board, and an official estimate is determined. The State information on nonspeculative crops is appraised by commodity specialists and field statisticians. Comments are then prepared for the report. Before the report can be released it must be approved and signed by the Secretary of Agriculture. Copies of the report are then reproduced. Members of the Board go out of the locked offices directly to the release room where the report is released at the designated time.



The report is released to the press at 3 p.m.

## FARM INCOME DOWN IN FIRST HALF OF 1959

Farmers' realized net income in the first half of 1959 was at an average annual rate of approximately 12 billion dollars. This was a billion dollars or 8 percent lower than in the first half of 1958, but over a billion dollars higher than in 1957.

Farmers' realized net income is the amount of income from farming that operators have left to spend for family living or investment after they have paid production expenses.

Cash receipts from farm marketings in the first half of 1959 were practically the same as in the first half of 1958. Lower average prices of farm products were nearly offset by an increase in volume of sales. However, Government payments were lower than last year as Acreage Reserve payments were discontinued.

Realized gross farm income was down about 1 percent from the first half of 1958. Realized gross farm income includes cash receipts, Government payments, home consumption of farm products, and the rental value of farm dwellings.

Production expenses continued their upward trend in the first 6 months of 1959, reaching a new high rate of 25.8 billion dollars, 3 percent above their 1958 first half rate.

Contributing to this increase were higher wage rates, property taxes, and interest charges plus higher prices paid for feeder livestock, feed, farm machinery, and motor vehicles. Seed and fertilizer were the only important cost items for which average prices declined.

Cash receipts from farm marketings in the first half of 1959 totaled approximately 13.9 billion dollars, only slightly below the same period in 1958. Prices received by farmers averaged 3 percent lower in 1959, while the volume of marketings was up nearly 3 percent.

Farmers received about 9 billion dollars for livestock and livestock products in the first half of 1959—3 percent less than in the same period of

1958. Receipts from cattle made a substantial gain, but receipts from hogs dropped sharply, so that the total for meat animals showed little change. Lower prices of hogs more than offset larger marketings, but higher prices for cattle more than compensated for lower volume.

Receipts from poultry and eggs were down because of lower prices of eggs and chickens (including broilers). The January-June 1959 volume of marketings of livestock and products was up about 2½ percent from a year earlier because of larger marketings of hogs and record-breaking sales of broilers.

Crop receipts of 4.9 billion dollars were about 5 percent above the first half of 1958. Increased marketings more than offset slightly lower prices. Movement to market of the record 1958 wheat crop was the principal factor in maintaining cash receipts above a year ago.

But receipts from oranges, corn, and tobacco were up also. These increases were partly offset by smaller marketings of sorghum grain and lower average prices of potatoes.

Preliminary estimates for June 1959 indicate receipts from farm marketings of 2.3 billion dollars, up slightly from a year earlier. Receipts from livestock and products are tentatively estimated at 1.5 billion dollars, down about 4 percent.

Receipts from crops are estimated at 0.8 billion dollars, 14 percent above June 1958, mostly due to the earlier wheat harvest this year.

Ernest W. Grove  
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### Farmer's Share

The farmer's share of the consumer's food dollar was 39 percent in May, the same as in February, March, and April. In May 1958 the farmer's share was 41 percent.

# HOW MUCH DOES IT COST TO MARKET OUR FARM FOOD?

Last year Americans spent \$57.7 billion for food that was grown on our farms. Farmers received about 36 percent of that amount—marketing received the rest.

Our marketing bill was \$36.9 billion in 1958—about 4 percent more than in 1957. The marketing bill is an estimate of the total charges for all the marketing services performed from the time products are sold by farmers until they are bought by consumers. It does not include farm products that are exported, used for nonfood uses, or consumed on farms where they are produced.

The farm value of the farm products covered by the marketing bill was \$20.8 billion, an increase of about 7 percent from 1957. This increase was the result of advances in prices received by farmers and a slight increase in marketings.

Labor costs amounted to \$17.5 billion in 1958—up 500 million from 1957. They made up 47 percent of the marketing bill in 1958. Labor costs include wages and salaries paid by marketing firms plus tips and "fringe" benefits.

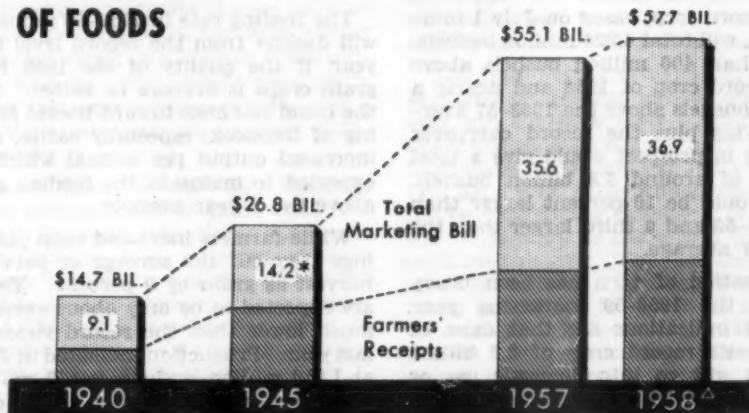
Profits (before taxes on income) which corporations earned from marketing amounted to \$2.1 billion, up \$200 million from 1957. They made up 6 percent of the marketing bill. After-tax profits amounted to \$1 billion.

Marketing firms paid railroads and truck carriers an estimated \$4 billion in 1958 for transporting food products between cities. This made up 11 percent of the marketing bill.

Other costs and noncorporate profits made up the remaining 36 percent of the marketing bill.

Elizabeth Clarke  
Marketing Information Division, AMS

## TOTAL FOOD MARKETING BILL COMPARED WITH FARM VALUE OF FOODS



\* DOES NOT INCLUDE GOVERNMENT PAYMENTS TO PROCESSORS

<sup>Δ</sup> PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE

NEG. 1970-59 (1)

AGRICULTURAL MARKETING SERVICE

## ANOTHER BIG FEED SUPPLY IN THE MAKING

Farmers are looking to big feed supplies again in the 1959-60 marketing year. Feed crop production has been favored by good weather through the early part of the season.

This year, production of the four feed grains—corn, oats, barley, and sorghum grain—based on July 1 indications, will nearly equal last year's record output of 158 million tons. Carryover stocks of old grain into 1959-60 are expected to increase to around 68 million tons, 9 million more than in 1958-59. Supplies of byproduct feeds probably will at least equal the 1958-59 record of about 27 million tons.

All this adds up to a prospective feed concentrate supply of about 254 million tons, 3 percent over 1958-59. While these early prospects may be changed substantially by developments later in the season, they point to some further increase in feed grain stocks at the close of the 1959-60 marketing year.

### Corn

The most prominent feature of this year's feed picture is the bumper corn crop. This year farmers planted over 85 million acres of corn, 11 million more than in 1958. Nearly all of this increase was in the Corn Belt.

The corn crop, based on July 1 indications, will total 4,224 million bushels, more than 400 million bushels above the record crop of 1958 and nearly a billion bushels above the 1953-57 average. This plus the record carryover of corn in prospect would give a total supply of around 5.8 billion bushels. This would be 10 percent larger than in 1958-59 and a third larger than the 1953-57 average.

Utilization of corn has been heavy during the 1958-59 marketing year. Present indications are that most of last year's record crop of 3.8 billion bushels will go into domestic use or export. The 3.2 billion bushels fed to livestock this year will be up about 10 percent from 1957-58 to a new record.

Farmers have been liberal in feeding of other feeds too. A total of 124 million tons of feed grains is expected to be fed during the 1958-59 feeding year, 11 percent more than in 1957-58. This plus the wheat, rye and byproduct feeds fed to livestock in 1958-59 is expected to total 153 million tons, 13 million tons more than last year.

### More Grain-Consuming Units

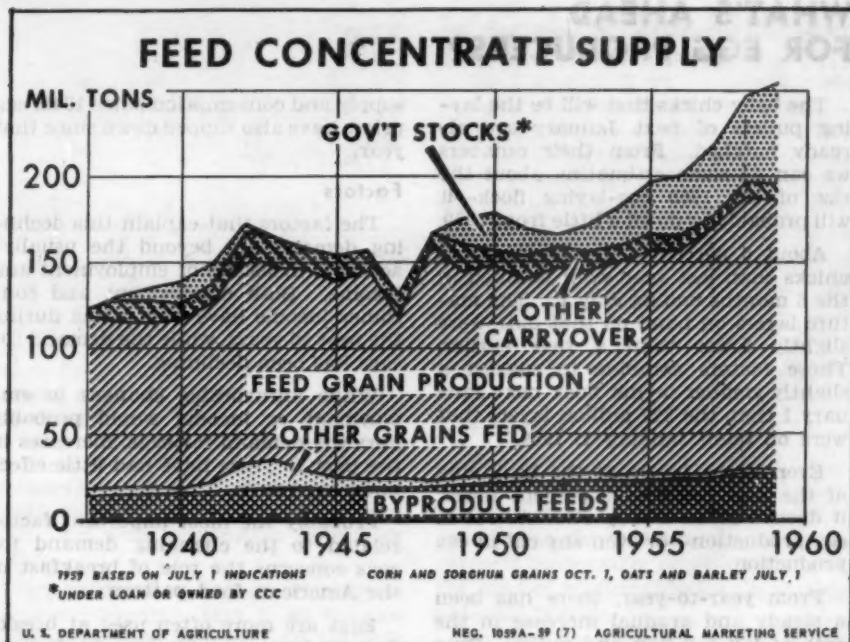
Livestock and poultry numbers in terms of grain-consuming animal units increased 6.5 percent from 1957-58 to 1958-59. The animal unit is based on the dairy cow. Other livestock and poultry are weighted in relation to their feed concentrate consumption as compared with one dairy cow.

The number of grain-consuming livestock is expected to rise another 6 million units in 1959-60 to 178 million animal units. This would be the highest on record, except for during the two war years, 1942 and 1943.

An increase in livestock numbers in 1958-59 was accompanied by heavy feeding per animal. The rate of feeding for the 1958-59 season is now estimated at 0.89 tons per animal unit, slightly higher than the 0.87 tons in 1957-58, and 10 percent above the 1953-57 average.

The feeding rate in 1959-60 probably will decline from the record level this year, if the quality of the 1959 feed grain crops is average or better. But the trend has been toward liberal feeding of livestock, especially cattle, and increased output per animal which is expected to maintain the feeding rate above the 5-year average.

While farmers increased corn plantings they cut the acreage of oats for harvest as grain by 9 percent. Yields are expected to be only about average, much lower than the record yields of last year. Production indicated in July, at 1,010 million bushels, is 412 million below last year's big crop. The oats supply for 1959-60 is estimated at 1.4 billion bushels, 20 percent less than last year and the smallest in 20 years.



The total supply of barley for 1959-60 is expected to be a little below the record supply last year. The barley crop was estimated in July at 414 million bushels, 12 percent below last year's record crop of 470 million. But record stocks carried over on July 1 made up for part of the reduction in the crop.

Allowing for imports at near the level of other recent years, the total supply of barley would be a little over 600 million bushels. This would be slightly below last year's record supply, but a fourth larger than the average 1953-57 supply.

An estimate of the 1959 sorghum grain crop will not be made until August. The carryover of sorghum grain next October 1 is expected to total around 500 million bushels, nearly 200 million bushels above stocks on October 1, 1958. Early indications point to a total supply a little above last year's record supply of 924 million bushels.

The 1959 hay crop was estimated in July at 110 million tons, 10 percent less than the record crop of last year. Including the near record May 1 carry-

over, the total supply of 135 million tons would be 9 percent less than last year's record supply, but above the 1953-57 average. The number of roughage-consuming animal units to be fed in 1959-60 is expected to be up slightly from last year as beef cattle numbers continue to increase. While the supply per animal unit is 11 percent below last year's record level it is slightly above the 1953-57 average.

The total supply of byproduct feeds available for feeding in 1959-60 probably will continue large. The supply likely will at least equal the 27 million tons currently estimated for 1958-59. The supply of high-protein feeds for the year beginning October 1 probably will be as large as the record tonnage available this year. The 1959 acreage of soybeans is down 8 percent from 1958, which probably will provide a smaller bean crop than the record established in 1958. However, a record large carryover of soybeans is expected which would enable crushers to maintain their output near last year's high level.

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## WHAT'S AHEAD FOR EGG PRODUCERS?

The baby chicks that will be the laying pullets of next January are already hatched. From their numbers we can do some estimating about the size of the 1960 egg-laying flock—it will probably be down a little from 1959.

About 6 percent fewer replacement chicks than last year were hatched in the 6 months ending July 1. The mature layers on hand on that date were slightly fewer than a year earlier. These factors combine to suggest a slightly smaller laying flock next January 1 than the 327 million layers that were on hand January 1, 1959.

Even if the layers at the beginning of the year are 2 or 3 percent fewer, it doesn't mean a proportionate cut in egg production—or even any cut in egg production.

From year-to-year, there has been a steady and gradual increase in the rate of lay per hen and pullet. Over the years, this increase has averaged about 2 percent a year, and the trend is likely to continue.

But there will be a larger population to eat the egg supply. Therefore, for at least the first half of 1960, the supply per person may actually decrease from 1959. But supplies per person next spring could be equal to per capita consumption this past spring—mainly because extra eggs went into storage in the first half of 1959, and the Government purchase program absorbed a good portion of the production.

If the springtime hatch of 1960 is no greater than in 1959, the egg supply per person late in 1960 is likely to be below late 1959.

### Demand

Supply and consumption aren't enough to forecast price. Among other things, demand also has to be considered.

The long-run down-trend in demand has not been encouraging to egg producers. It has not been fully offset by declines in the costs of producing eggs. Despite the decline in per capita egg

supply and consumption since 1945, egg prices have also slipped down since that year.

### Factors

The factors that explain this declining demand are beyond the usually-accepted measures of employment and income. Both employment and consumer income have been rising during the past 10 years, while the demand for eggs has been declining.

While unfavorable changes in employment or income would probably hurt the demand for eggs, increases in the past 10 years have had little effect upon egg prices.

Probably the most important factor related to the changing demand for eggs concerns the role of breakfast in the American food pattern.

Eggs are more often used at breakfast than at any other meal. Despite the stress that nutritionists put upon an adequate breakfast—with a significant ingestion at that time of protein, which eggs supply—today's breakfast for most people is probably a lighter meal than the classic fruit, eggs and bacon or pancakes. This is one factor in the declining demand.

Another factor is the competition that eggs receive from other breakfast foods, particularly the highly advertised branded cereals.

Many cereals are sufficiently different from other cereals to justify considerable advertising. Packer A's eggs, on the other hand, are so similar to those of packer B that private firms don't do much egg advertising.

How these supply and demand factors will balance out in 1960 (after being influenced by weather, short-time shifts in market psychology, and other relevant but unforeseeable variables) is still a considerable uncertainty. But the supply elements that enter the picture, at least for the first half of 1960, are likely to be more favorable to poultrymen than they were in 1959.

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## *"Bert" Newell's* **Letter**

In the course of a year I receive quite a few letters from our cooperative reporters. While I never use names and very rarely quote a letter, many of you have undoubtedly recognized in this column some of the ideas and some of the information you have sent in. The other day I received a letter from one of our reporters which impressed me so strongly that I have not been able to stop thinking about it ever since. Because it reflected such a wonderful philosophy and spirit I am going to quote parts of it since I believe you might get some inspiration from it as I did.

"My husband . . . died suddenly on Thursday evening, May 7, at the age of 42. Since he took over his father's farm, after graduating from [college] in 1938, he had been a crop reporter. At first, he filled out the reports under his father's name . . . but lately he had used his own name. . . .

"I can remember, when we were first married, what a source of quiet pride it was to me to be a small part of the agricultural marketing service. It seemed amazing to me that someone cared how much corn we had, or how many steers on feed. Usually I filled in the livestock and crop surveys myself—that which was factual, having to do with definite figures. But the reports on field and crop conditions, I left for Johnny to do. Both of us always thought it was fun, and a privilege, to do something which was a part of something so big.

"Our son, Ted, is just 18. He will go to [State College] on a scholarship this fall. This summer he and I will finish the crops which my husband had started. Then our 2 girls, 13 and 16, and I, will 'tread water' for 4 years until he graduates and is home again. The fields we'll have to rent out, because college vacations are too short

for our type of farming: corn, sugar beets, early canning peas, etc.

"So I wonder if we . . . could have a sort of leave of absence for 4 years—until the spring of 1963? Then Ted and I will start in farming again, and we'll have something to report. Maybe it's not possible, to drop us and then pick us up 4 years later, but I hope it is. It would be a joy to know I could get back to sending in reports again in the years to come.

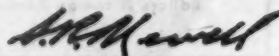
"Whatever it is you decide to do, thank you for a long and a good friendship.

"Sincerely . . ."

Of course I am very proud of this kind of loyalty to the Agricultural Marketing Service. I guess, though, I am proudest of the fact that in our great corps of cooperative reporters we have the kind of relationship that makes us personal friends.

Most of all, this letter is an inspiration. Here is one of our friends—a mother who has suffered a tremendous loss but who faces the future with optimism, cherishing the memories of the past, and—without complaint—looking forward to the future and the good things to come. I don't know how to say the many things that I feel. Meeting such wonderful people with that kind of faith does something to you that I just can't describe.

We will, of course, be delighted to have her back anytime. In the meantime, all of us—and I feel sure that includes upward of half a million cooperative reporters that constitute the great fraternity of the Crop and Livestock Reporting Service—wish all good things for her and Ted and the girls. We are sure everything is going to work out just fine.



S. R. Newell  
Chairman, Crop Reporting Board, AMS

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Watch Pri	1
Costs	4
Summer Vegetables	4
Wheat	4
Farm Employment	5
Outlook	6
Tobacco	6
Calf Crop	6
Bees	6
Hogs A-Plenty—Price Outlook	7
Dim	7
Cattle on Feed	8
Using Your Questionnaires	10
Farm Income Down in First Half of 1959	10
Farmer's Share	11
How Much Does It Cost to Market Our Farm Food?	12
Another Big Feed Supply in the Making	14
What's Ahead for Egg Pro- ducers	15
Bert Newell's Letter	

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